

ANNUAL REPORT  
OF THE  
REGULATORY FLEXIBILITY COMMITTEE



Indiana Legislative Services Agency  
200 W. Washington Street, Suite 301  
Indianapolis, Indiana 46204

October, 2012

# INDIANA LEGISLATIVE COUNCIL

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# **REGULATORY FLEXIBILITY COMMITTEE**

## **Membership Roster**

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### **Staff**

Sarah Burkman  
Attorney for the Committee

Sarah Freeman  
Attorney for the Committee

Heath Holloway  
Fiscal Analyst for the Committee

## **I. STATUTORY DIRECTIVE**

Under IC 8-1-2.6-4, the Regulatory Flexibility Committee is required to monitor competition in the telecommunications industry. In addition to reviewing an annual report on the industry prepared by the Indiana Utility Regulatory Commission (IURC), the Committee is required to review the following issues:

- (1) The effects of competition and technological change in the telecommunications industry and the impact of competition on universal service.
- (2) The status of modernization of the publicly available telecommunications infrastructure in Indiana and the incentives required to further enhance the infrastructure.
- (3) The effects of modernization of telecommunications infrastructure on economic development and educational opportunities.
- (4) The current methods of regulating providers, at both the federal and state levels, and the effectiveness of the methods.
- (5) The economic and social effectiveness of current telecommunications service pricing.
- (6) All other telecommunications issues the Committee considers appropriate.

Under IC 8-1-2.5-9, the Committee is also required to monitor changes and competition in the energy utility industry. In addition to reviewing an annual report on the industry prepared by the IURC, the Committee is required to review the following issues:

- (1) The effects of competition or changes in the energy industry and the impact on residential rates.
- (2) The status of modernization of energy utility facilities in Indiana and the incentives required to further enhance this infrastructure.
- (3) The effects of modernization of energy utility facilities in Indiana on economic development.
- (4) The traditional method of regulating energy utilities and the method's effectiveness.
- (5) The economic and social effectiveness of traditional energy utility service pricing.
- (6) The effects of legislation enacted by the United States Congress.
- (7) All other energy utility issues the Committee considers appropriate.

## **II. SUMMARY OF WORK PROGRAM**

The Committee met one time during the 2012 interim session. The meeting was held on September 6, 2012, and began with testimony from various members of the Indiana Power of Wind Coalition (IPWC). Brad Lystra of the American Wind Energy Association discussed

existing and planned wind projects in Indiana. Connie Neininger, Executive Director of White County Economic Development, described the economic benefits of wind power in White and Benton counties. Curtis Crum, a consultant for IPWC, advocated for an independent request for proposal (RFP) process for energy procurement in Indiana, to encourage retail electric utilities to purchase power from independent power producers, such as wind farms, rather than build new facilities of their own. Jason Minalga, Manager of Regulatory Affairs for Invengery, described such competitive bidding procedures in Michigan and Colorado, and Nick Muller, founder of the Colorado Independent Energy Association, further explained the process in Colorado.

The Committee also heard from Diana Coggins, project development manager for Clean Line Energy's planned "Grain Belt Express" electric transmission project. Ms. Coggins explained that the Grain Belt Express project involves the construction of a high voltage direct current (HVDC) transmission line that will deliver 3,500 MW of wind power from Kansas to 14 midwestern and eastern states, including Indiana.

The meeting also included the annual reports to the Committee by the IURC. James D. Atterholt, Chairman of the IURC, presented the reports on the electric and natural gas industries, while Commissioner Carolene Mays presented the IURC's annual report on the water and wastewater industries. Commissioner Larry Landis presented the IURC's communications industry report, which included a discussion of universal service support (for communications services for low-income customers and for rural or high-cost areas), along with a discussion of the anticipated exhaustion of southern Indiana's 812 area code in 2015.

In addition to the IURC reports, the annual report on renewable energy resources in Indiana was presented by Doug Gotham, director of the State Utility Forecasting Group (SUFG). Indiana Utility Consumer Counselor A. David Stippler provided an update on the recent activities of the Office of Utility Consumer Counselor.

The Committee issued no formal recommendations concerning any of the topics it considered during the interim.

Meeting minutes for the Committee can be accessed from the General Assembly Homepage at <http://www.in.gov/legislative/>